



THE STRONGEST LINK.

**STAHL**

# **BANKHAUS LAMPE DEUTSCHLANDKONFERENZ**

Baden-Baden, March 28, 2017

# DISCLAIMER

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# AGENDA

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<b>1</b>	<b>Company Overview</b>
2	Financials
3	Preparing For Growth

# SUCCESS WITH TRADITION



Rafael Stahl **founds** the company Stahl and Weineck together with his partner Gustav Weineck.

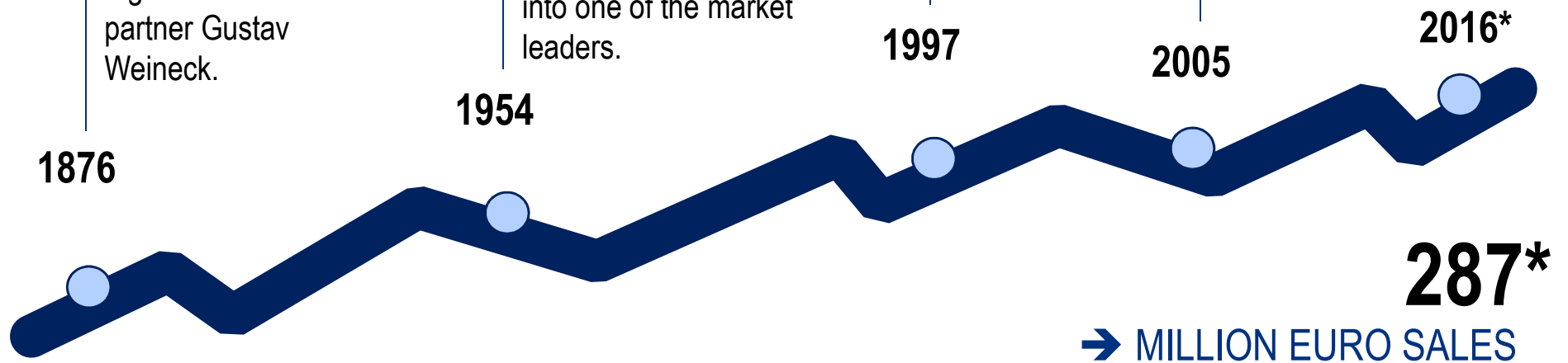


With **pioneering innovations** for explosion-protected electrical apparatus, R. STAHL develops into one of the market leaders.



R. STAHL **goes public.**

R. STAHL is **global market leader** for explosion-protected system solutions.



\* preliminary figures for FY 2016 released on Feb. 22, 2017



# EXPLOSION PROTECTION MEANS SAFETY

## ■ HAZARDOUS AREA

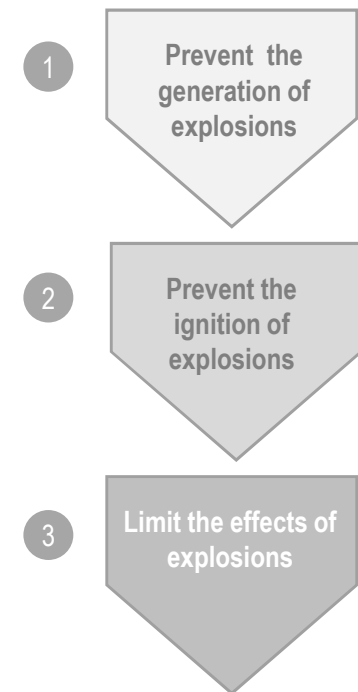
- During production and processing as well as during transport of substances in the chemical industry, in oil and gas production, mining, etc., gases, vapours, mists or dusts develop
- If these substances mix with oxygen, an explosive atmosphere is generated

## ■ EXPLOSION PROTECTION

- All measures that prevent dangerous explosions or that limit the effects of an explosion

## ■ R. STAHL

- Our components, facilities and systems prevent explosions, avoid damages and protect man and environment





# DIVERSIFIED PRODUCT PORTFOLIO

From Standard Products to System Solutions



**Switchgear**



**Interface Technology**



**HMI Systems**

**Signalling Devices**



**Camera Systems**

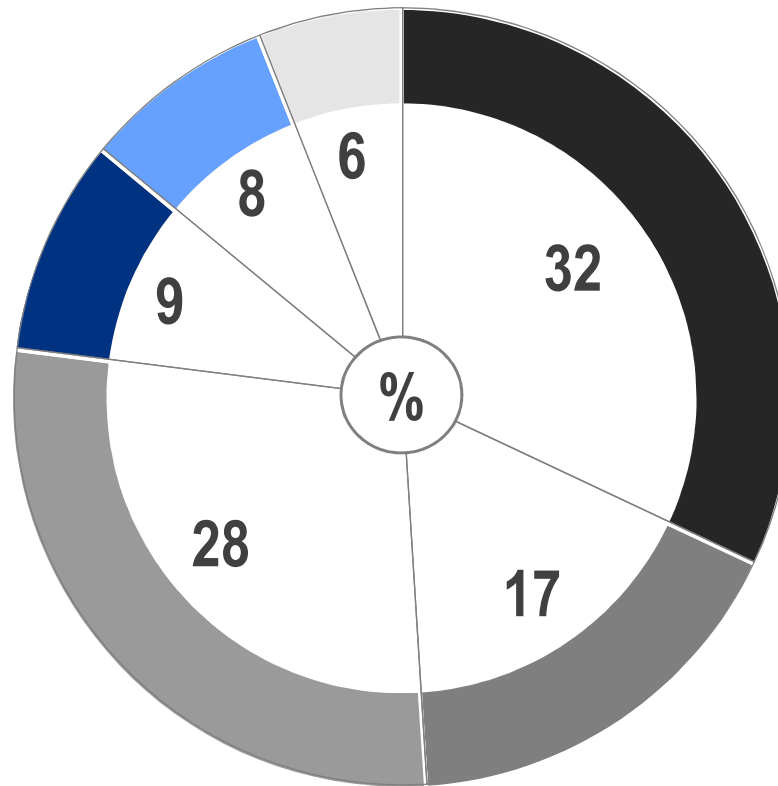


**Lighting**



# OUR CUSTOMERS

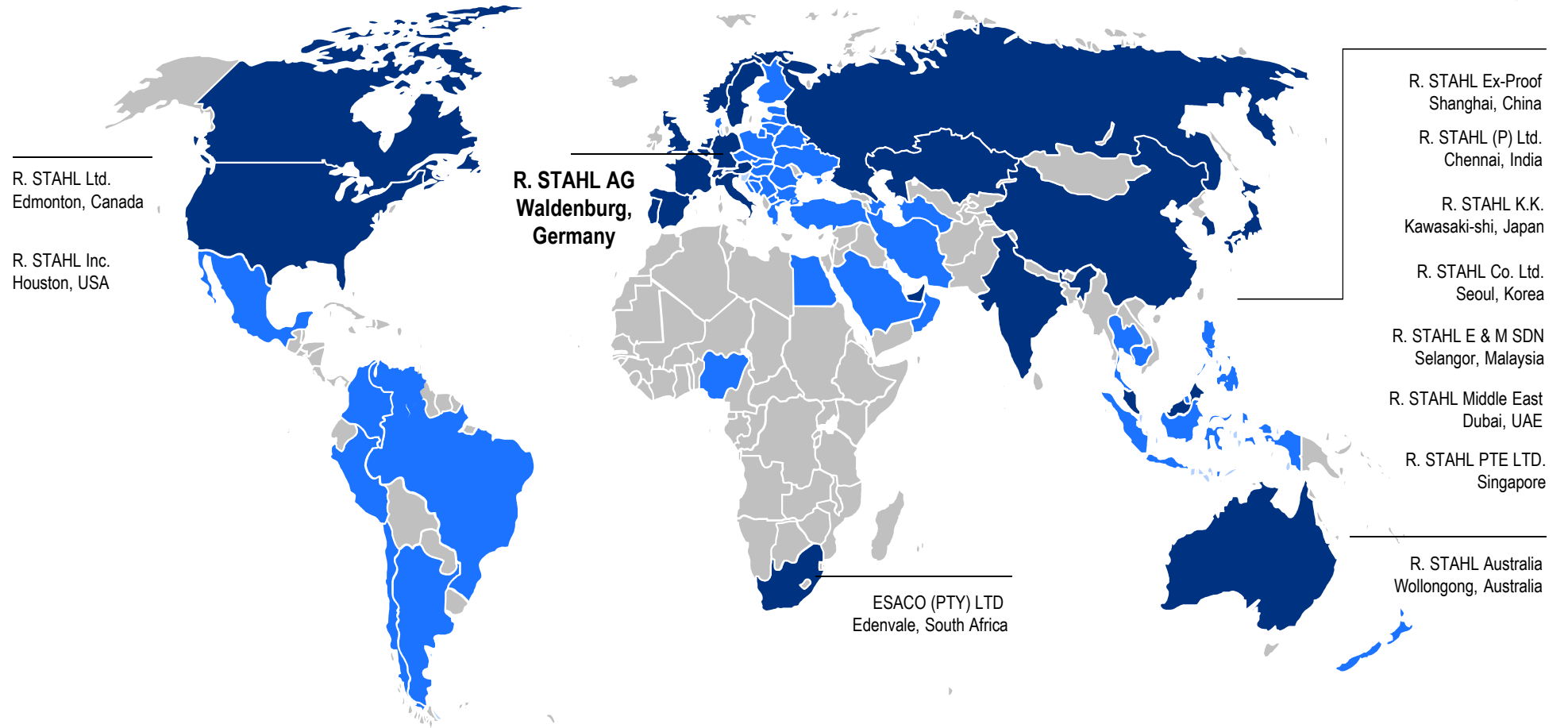
Oil & Gas, Chemical, Pharmaceutical and Marine Industry



- Oil & Gas Upstream
- Oil & Gas Downstream
- Chemical Industry
- Pharmaceutical Industry
- Shipbuilding
- Others

FY 2015 in % of Group Sales

# INTERNATIONAL PRESENCE



R. STAHL Schaltgeräte GmbH  
Waldenburg, Germany

R. STAHL Camera Systems  
Cologne, Germany

R. STAHL Ltd.  
Birmingham, UK

Electromach B.V.  
Hengelo, Netherlands

STAHL-SYBERG  
Oslo, Norway

R. STAHL Svenska  
Järfälla, Sweden

OOO R. STAHL  
Moscow, Russia

R. STAHL LLP  
Atyrau, Kazakhstan

INDUSTRIAS STAHL  
Lisboa, Portugal

R. STAHL HMI  
Cologne, Germany

R. STAHL N.V.  
Dendermonde, Belgium

ST Solutions ATEX  
Nanterre, France

R. STAHL S.R.L.  
Peschiera Borromeo, Italy

R. STAHL Nissl  
Wien, Austria

Tranberg  
Stavanger, Norway

R. STAHL Schweiz  
Magden, Switzerland

Zavod Goreltex  
St. Petersburg, Russia

INDUSTRIAS STAHL  
Alcobendas, Spain





# PRODUCTION FACILITIES WORLDWIDE



**Weimar**  
Germany



**Cologne**  
Germany



**Houston**  
USA



**Waldenburg**  
Germany



**Chennai**  
India



**Hengelo**  
Netherlands



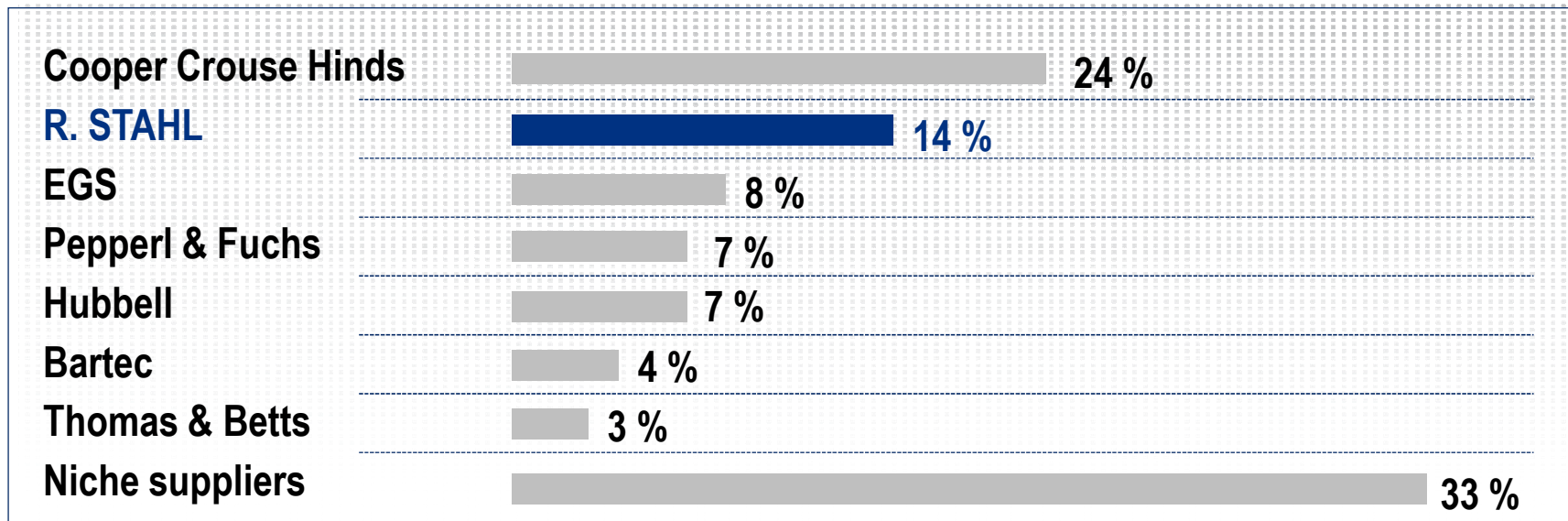
**Stavanger**  
Norway

# GLOBAL LEADER IN A FRAGMENTED MARKET

- Largest product portfolio worldwide
- Global market leader in complex integrated systems solutions
- Number 2 in the growing IEC global market



**Market volume: € 1.44bn\***



\* 2013 IEC global market; market volume NEC global market € 0.8bn

# HIGH BARRIERS TO ENTRY

- **GROWING COMPETITION**

in the component business due to aggressively priced suppliers from emerging regions

However, there are substantial market entry barriers:

- **INTERNATIONAL STANDARDS/REGULATIONS**

with strict requirements regarding product safety which can only be fulfilled with special know-how

- **SYSTEMS SOLUTION EXPERTISE**

counters growing competition in components business

- **INTERNATIONALLY OPERATING, ESTABLISHED PARTNERS**

are preferred for large-scale projects of major corporations

- **HIGH LEVEL OF CUSTOMER RETENTION**

achieved by systems solutions



# UNIQUE OFFERING

From Standard Products to Complex Solutions



**COMPLEX SOLUTIONS**



**BULK PROJECTS**



**POWER DISTRIBUTION PANELS**

**AUTOMATION**

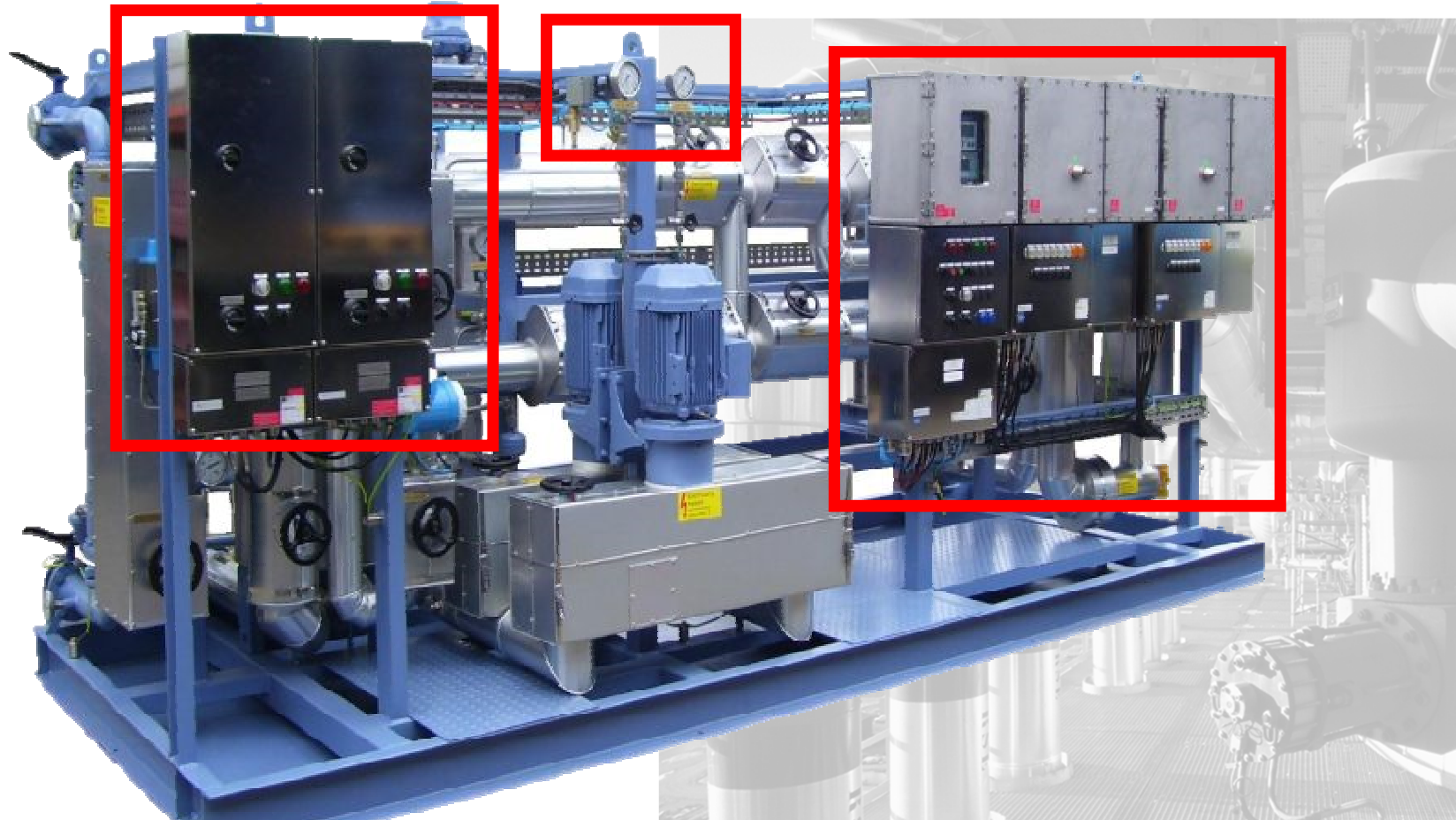


**STANDARD PRODUCTS (INDIVIDUAL ORDER OR BULK ORDER)**





# SYSTEMS & INTEGRATED SOLUTIONS



**PRODUCTS + SOLUTIONS + SERVICES = SYSTEM SOLUTION**

**→ ADDITIONAL BENEFIT FOR THE CUSTOMER**

# AGENDA

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**Financials**

3

Preparing For Growth

# TENSED MARKET SITUATION

Oil & Gas, Chemical, Pharmaceutical and Marine Industry

## IMPACT

- High dependence on oil & gas
- Significant downturn in investment activities of our customers
- High pressure on margins



## REACTION

- Quick adaption to the new market situation
- Immediate implementation of a cost saving program
- Increased focus on non oil & gas sectors

- Profitability secured
- Stable cash flow

- Strong equity position
- Strong financial resources

# DEVELOPMENT OF OIL PRICE IS UNCLEAR





# FINANCIAL OVERVIEW FY 2016\*

Profitability Defended Under Tough Market Conditions

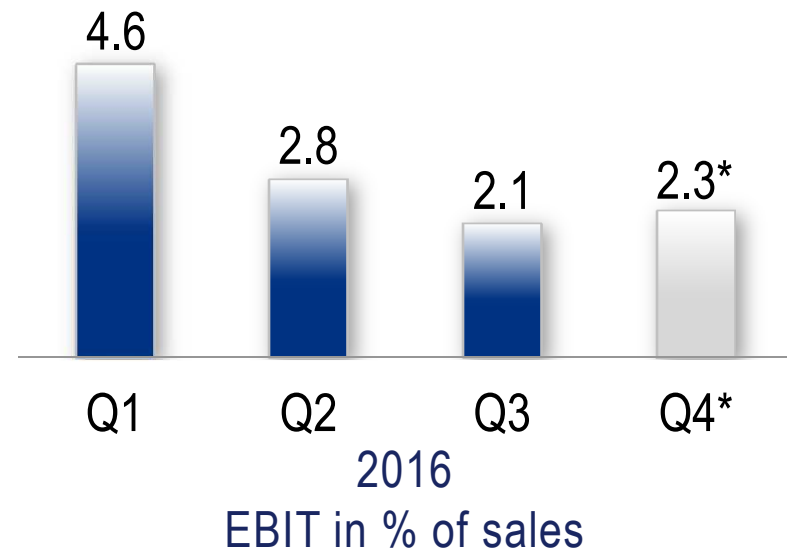
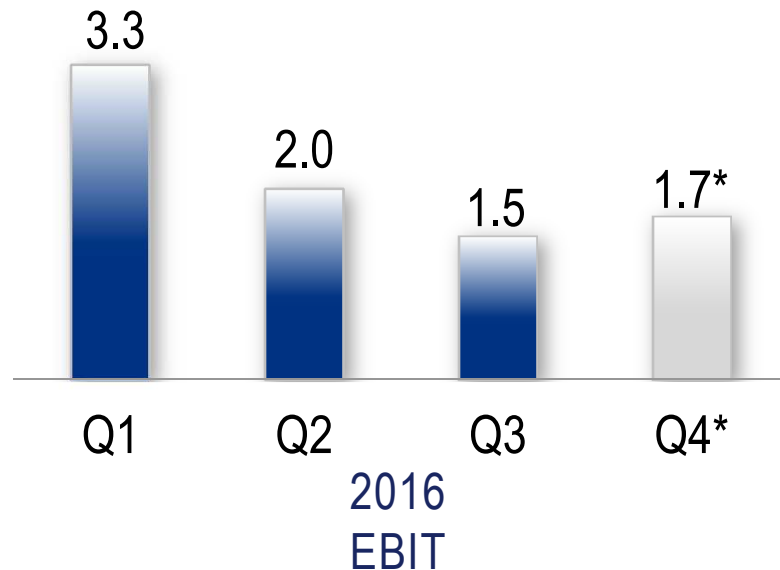
€m	FY 2016*	FY 2015	Δ in %
Order Intake	282.9	317.3	-10.8
Order Backlog	80.7	95.2	-15.2
Sales	286.6	312.9	-8.4
EBIT	8.4	3.9	+>100

- Order intake down due to continued weak demand from Oil & Gas sector
- Low order backlog reflects current customer cautiousness
- Sales decline follows order intake
- EBIT more than doubled – restructuring program pays off

\* preliminary figures for FY 2016 released on Feb. 22, 2017

# EARNINGS DEVELOPMENT Q1 – Q4 2016\*

€m



- Decreased volume of business with standard products
- Changed product mix
- Different regional sales composition
- Slight sequential uptake in Q4 following higher sales

\* preliminary figures for FY 2016 released on Feb. 22, 2017

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**Preparing For Growth**

# KEY INITIATIVES FOR FUTURE GROWTH

Increasing sales activities in **MARKETS** with **HIGH POTENTIAL**  
Russia, Kazakhstan, Iran, Africa

Solutions for **INDUSTRY 4.0**  
applications in the automation sector.  
Increasing market share in the  
chemical and pharmaceutical industry.

Driving **NEW INNOVATIONS**  
to safeguard and expand our  
position as technology leader

Providing **SERVICES** for the  
European chemical and  
pharmaceutical industry

Supporting these activities with  
reasonable **M&A transactions**



# UNIQUE LED-PORTFOLIO

## Success in LED lighting business

Complete portfolio of LED lights  
Growth in lighting despite prevailing  
market trend



# NEW REMOTE I/O SYSTEM

Remote I/O System offers major advantages for customers



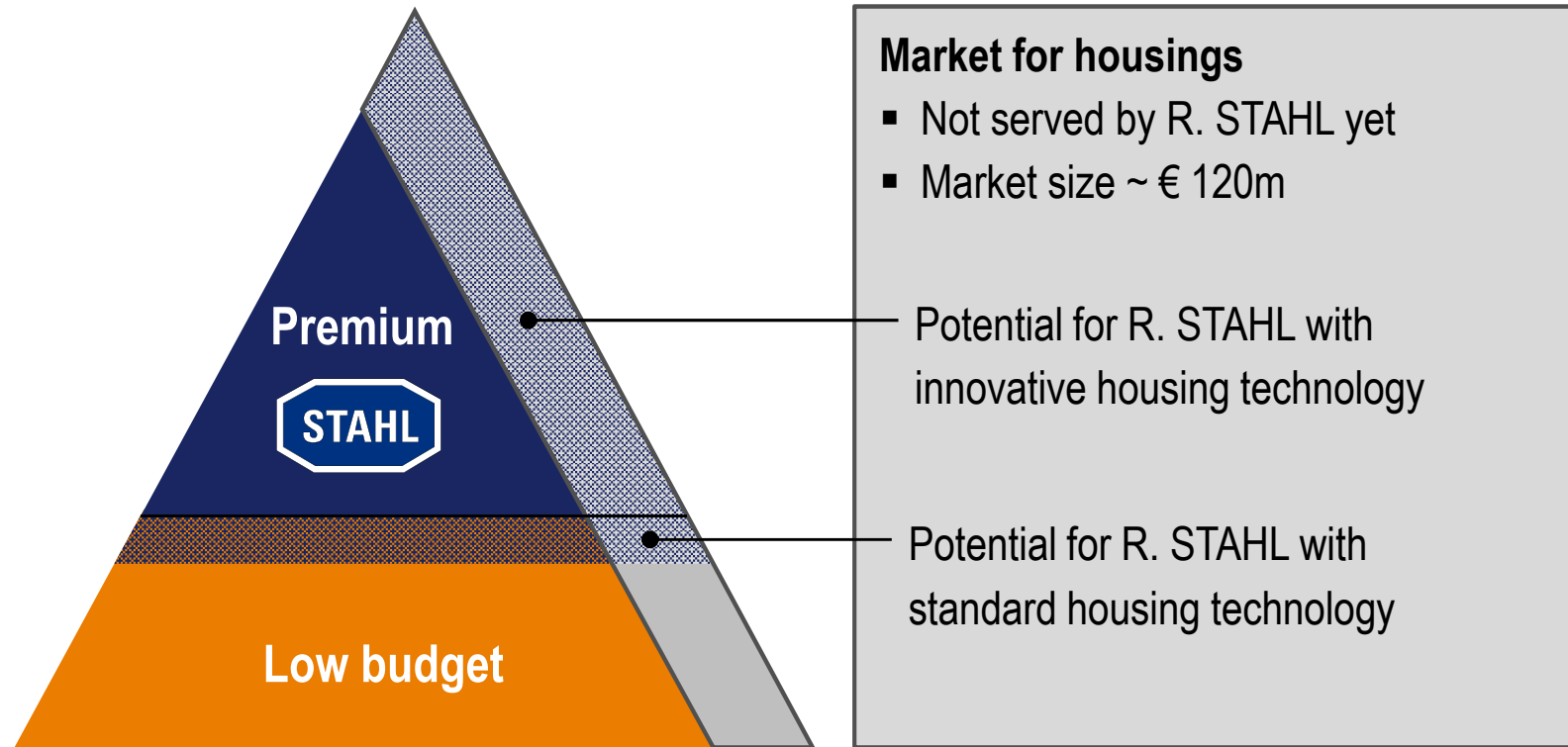
## Success in Automation business

Market leader through customer orientation:

- Modularity
- Flexibility
- OPEX/CAPEX savings
- Quality & Reliability

# ADDRESSING AN YET UNTAPPED MARKET

Market position of R. STAHL in explosion protection

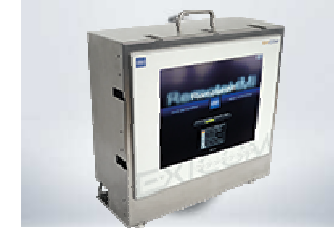


- R. STAHL is a strong brand in the premium sector
- R. STAHL offers a broad range of housings
- Self installation provides cost advantage for customers

# INDUSTRY 4.0 – THE FUTURE IS DIGITAL

**EX 4.0**

THE NEXT LEVEL OF  
EXPLOSION PROTECTION.



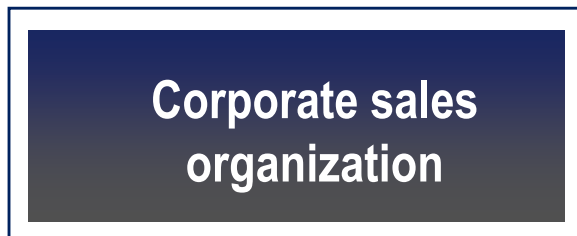
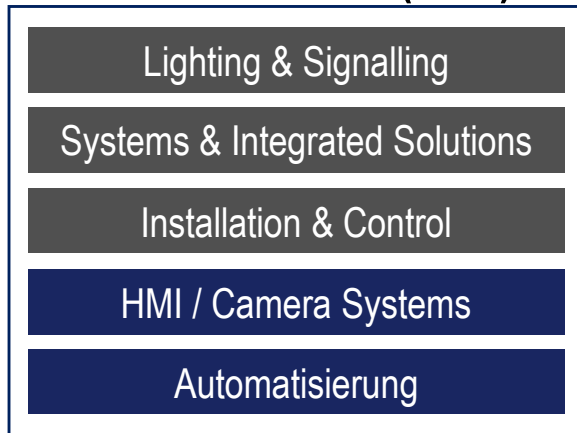
- Power and digital information must be transported
- Pro active online diagnostics are needed
- Personnel must interact with the digital world
- Unmanned facilities need to be observed from distance

**R. STAHL devices make it happen in hazardous areas**



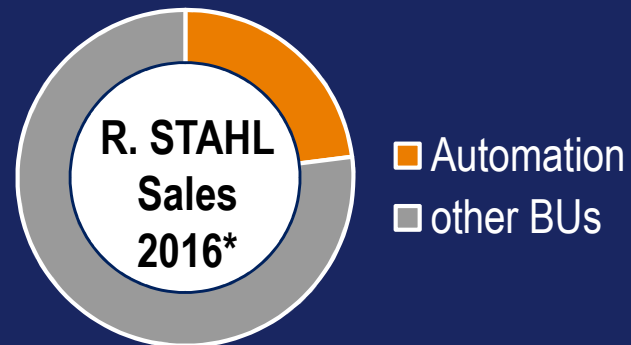
# NEW ORGANIZATION “AUTOMATION”

## Business Units (BUs)



## Automation

- Employees: ~ 280 worldwide



Jan. 01, 2017

\* preliminary figures for FY 2016 released on Feb. 22, 2017



# ACQUISITIONS SUPPORT OUR KEY INITIATIVES

**25% interest in  
ZAVOD Goreltex**

Easier access to Russian market  
to promote automation products



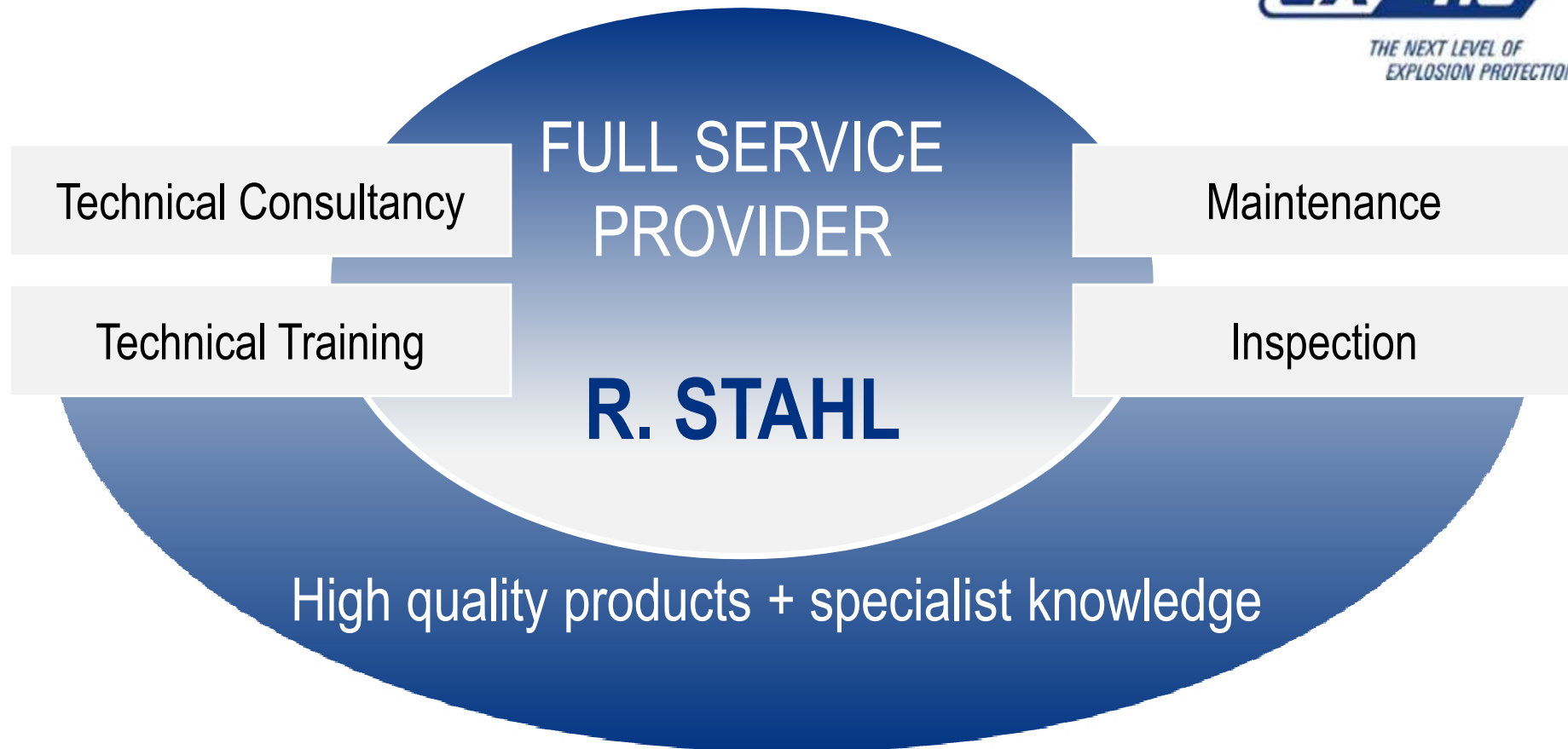
**35% share in  
ESACO Pty. Ltd**

Intensified market development of  
the sub-Saharan region



# COMPETENCE SERVICE

Growing requirements arising from globalized markets and the complex demands of our customers



# AN ATTRACTIVE INVESTMENT



## MARKET LEADER

- #2 in explosion protection, #1 in systems solutions
- Sales of € 287m in 2016\*



## PERFORMANCE

- EBIT of €m 8\* despite crisis in main customer industry
- Management with proven track record to navigate through tough market conditions



## CLEAR PERSPECTIVE

- Significant growth opportunities: increasing awareness of governments for the risk of explosion

\* preliminary figures for FY 2016 released on Feb. 22, 2017

# SHARE INFORMATION

## Share Details

<b>Market segment</b>	Regulated Market/Prime Standard
<b>Number</b>	6,440,000 registered shares
<b>WKN</b>	A1PHBB
<b>ISIN</b>	DE000A1PHBB5
<b>Ticker</b>	RSL2.DE (Reuters), RSL2 (Bloomberg)

## Shareholder Base

**Two long-term oriented anchor shareholders:** founding families Stahl and Zaiser with over 50% of voting rights and RAG-Stiftung Beteiligungsgesellschaft mbH with more than 10% of shares outstanding. All remaining shares are held by shareholders with less than 10% of shares each.

# FINANCIAL CALENDAR & CONTACT

## Financial Calendar

<b>April 21, 2017</b>	Final FY 2016 Earnings release
<b>May 09, 2017</b>	Q1 2017 Earnings release
<b>June 02, 2017</b>	Annual General Meeting
<b>August 03, 2017</b>	Q2 2017 Earnings release
<b>November 09, 2017</b>	Q3 2017 Earnings release

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